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Message Text

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13
ACTION SS-25

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---------- 033174
R 211700Z OCT 76
FM AMEMBASSY QUITO
TO SECSTATE WASHDC 2005

C O N F I D E N T I A L QUITO 7560

EXDIS

E.O. 11652: GDS
TAGS: AMGT APER
SUBJ: OPERATION CLEAN SLATE

1. AFTER FIVE MONTHS HERE, I HAVE COME TO THE CONCLUSION THAT WE COULD BETTER PURSUE OUR OBJECTIVES AS AN EMBASSY WITH A MODEST REALIGNMENT OF POSITIONS AND LINES OF AUTHORITY. ACCORDINTLY, I REQUEST THE DEPARTMENT'S CONCURRENCE IN THE REORGANIZATION PROPOSED IN PARA. 3. BELOW. IF THE DEPARTMENT AGREES WITH THE PROPOSAL, I ASSUME IT WILL OBTAIN THE CONCURRENCE OF OTHER AGENCIES, AS NECESSARY.
2. OBJECTIVES
A) AS I SEE IT, THE FKTIONS OF MOST US. OVERSEAS MISSIONS HAVE CHANGED PROFOUNDLY OVER THE LAST TEN YEARS. IN THE TWO DECADES AFTER WORLD WARR II, THE US. LARGELY CARRIED OUT FOREIGN POLICY OBJECTIVES BY PROGRAMS DESIGNED IN ONE WAY OR ANOTHER TO ALTER THE HOST-COUNTRY ENVIRONMENT. THESE PROGRAMS--ECONOMIC AND MILITARY ASSISTANCE, POLITICAL ACTIVISM OF VARIOUS KINDS, AND HUMANITARIAN EFFORTS-WERE ALL ADMINISTERED BY AGENCIES OTHER THAN THE DEPARTMENT AND THE FOREIGN SERVICE. IN THESE CIRCUMSTANCES, THE ROLE OF THE EMBASSY WAS LARGELY ONE OF MONITORING, COORDINATING, AND POLITICAL AND ECONOMIC REPORTING. FOREIGN SERVICE OFFICERS MADE THEIR MARK BY DINT OF THE BRILLIANCE OF THEIR ANALYSIS OF THE HOST COUNTRY POLITY AND ECONOMY, AND--SOMETIMES--BY THE CONGENCY OF THEIR POLICY ADVICE TO WASHINGTON. THE TRADITIONAL DIVISION OF THE "SUBSTANTIVE" FUNCTIONS OF THE CONFIDENTIAL

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EMBASSY INTO POLITICAL AND ECONOMIC SECTIONS FIT THIS OBSERVER ROLE NICELY.
B) ALL THAT HAS CHANGEC, FOR REASONS WITH WHICH WE ARE ALL FAMILIAR. BILATERAL PROGRAMS HAVE BEEN CUT DRAMATICALLY

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--AT LEAST IN LATIN AMERICA--AND THE RESIDUALS HAVE BEEN MORE CLOSELY INTEGRATED INTO THE EMBASSY. (THE PROJECTED OFFICES OF SECURITY ASSISTANCE, OF WHICH THIS MISSION'S MILITARY LIAISON OFFICE IS A FORERUNNER, ARE A GOOD EX-AMPLE OF SUCH INTEGRATION). AT THE SAME TIME, AS OUR DESIRE TO REMAKE THE WORLD IN OUR IMAGE HAS WANED, THERE IS LESS WASHINGTON INTEREST IN HOST-COUNTRY DOMESTIC POLITICS AND ECONOMICS, THUS DENIGRATING THE TRADITIONAL REPORTING FUNCTION.

C) ON THE OTHER HAND, WE HAVE REDISCOVERED DIPLOMACY. TYPICALLY, AN EMBASSY ENGAGES IN NEGOTIATION AND CONSUL-TATION WITH THE HOST GOVERNMENT ON A WIDE VARIETY OF MUTUAL INTERESTS AND PROBLEMS, RANGING FROM UN ISSUES TO EXPROPRIATION CASES. THE OLD DISTINCTION BETWEEN "POLITICAL" AND"ECONONIC" IS NOT LONGER MEANINGFUL NOW THAT THE FOCUS HAS SHIFTED FROM DOMESTIC ECONOMIC DEVELOPMENT TO INTERNATIONAL ECONOMIC RELATIONS (ALL OF WHICH ARE EMINENTLY POLITICAL). EVEN BILATERAL PROGRAMS LIKE MILITARY ASSISTANCE AND TECHNICAL COOPERATION HAVE BECOME INCREASINGLY A MATTER OF SELLING AMERICAN GOODS AND SERVICES, FOR CASH OR ON TERMS THAT ARE NOT TOO FAR AWAY FROM COMMERCIAL CREDITS. POLITICAL AND ECONOMIC ANALYSIS IS STILL AN ART WHICH THE FSO MUST CULTIVATE, BUT PRINCIPALLY TO BETTER HELP HIM UNDERSTAND HIS PRO-TAGONISTS IN HIS PRIMARY FUNCTION OF NEGOTIATION AND PERSUASION.

3. IN LIGHT OF THE FOREGOING CONSIDERATIONS, I PROPOSE TO DO AWAY WITH THE LABELS OF "POLITICAL" AND "ECONOMIC" SECTIONS AND RECONSTITUTE THEM INTO"

A) A NEGOTIATIONS AND CONSULTATIONS SECTION (WITH A BOW TO HARRY SHLAUDEMAN)

(1) THIS SECTION WOULD BE RESPONSIBLE FOR ALL DEALINGS WITH THE GOE ON POLITICO-ECONOMIC ISSUES, INCLUDING LOS AND FISHERIES, MUTILATERAL POLITICAL ISSUES, PETROLEUM., OTHER BILATERAL ECONOMIC (BUT NON-COMMERCIAL) MATTERS #7.-, 48&#5 , BILATERAL POLITICAL ISSUES AND LABOR. (PLACING LABOR IN THIS SECTION DOES NOT STRICTLY FIT

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INTO THE PATTERN OF INTER-ACTION WITH THE HOST GOVERN-MENT, BUT WITH THE DISAPPEARANCE OF THE AID MISSION DURING THIS FISCAL YEAR THE AIFLD PROGRAM WILL HAVE TO BE ADMINISTERED SOMEWHERE IN THE EMBASSY. SINCE THE NEGOTIATIONS AND CONSULTATIONS SECTION WILL BE INTERESTED IN DOMESTIC POLITICS, THIS SEEMS THE BEST PLACE TO LODGE THE LABOR FUNCTION.)

(2) THE STAFF WOULD CONSIST OF THE PRESENT STATE POLI-TICAL SECTION (THREE FSOS AND TWO SECRETARIES) AND THE PETROLEUM/FINANCIAL OFFICER NOW IN THE ECONOMIC-COMMER-CIAL SECTION (POSITION NO. 20-5010-093).

B) A COMMERCIAL SALES SECTION

(1) WHICH WOULD GROUP UNDER THE PRESENT ECONOMIC-COMMERCIAN

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COUNSELOR ALL FUNCTIONS AND PROGRAMS WHOSE MAIN
PURPOSE OR INGREDIENT IS THE SALE OF U.S. GOODS AND
SERVICES. THIS WOULD INCLUDE THE COMMERCIAL SECTION,
THE U.S. MILITARY LIAISON OFFICE (SOOON TO BECOME THE
OFFICE OF SECURITY ASSISTANCE), THE AGRICULTURAL ATTACHE
(WHOSE MAIN FUNCTION HERE IS TO SEEL U.S. WHEAT) AND
THE AID REPRESENTATIVE (SHOULD ONE BE ASSIGNED AFTER
CLOSURE OF THE AID MISSION), WHOSE PRIMARY FUNCTIONS WOULD
BE TO MARKET REIMBURSABLE TECHNICAL ASSISTANCE PLUS
PROVIDE SOME ADMINISTRATIVE SUPPORT TO RESIDUAL AID PROGRAMS.
(2) THE ADVANTAGES OF THIS SET-UP WOULD BE TO PUSH
DOWN BY ONE LEVEL IN THE CHAIN OF COMMAND THE MANAGEMENT
AND COORDINATION OF A NUMBER OF PROGRAMS AND AGENCIES
THAT NOW REPORT DIRECTLY TO ME OR THE DCM, THUS FREEING
US TO FOCUS MORE ON OVERALL POLICY DIRECTION. COORDINA-
TION OF THESE SALES FUNCTIONS BY A SEASONED FSO WOULD
ALSO, I BELIEVE, INCREASE THE EFFECTIVENESS OF THESE
OPERATIONS. EXAMPLE: THE ECUADOREAN NAVY WANTS TO
PURCHASE, ON A STRAIGHT COMMERCIAL BASIS, TWO NEW FRIGATES,
WITH A PRICE TAG IN THE NEIGHBORHOOD OF $150 MILLION.
THIS POTENTIAL EXPORT IS OBVIOUSLY OF INTEREST TO THE
DEPARTMENT OF COMMERCE. THE NAVY WOULD THEN SEEK TO
ARM THESE VESSLES UNDER THE FMS PROGRAM. THESE TRANSACTIONS,
ALTHOUGH INVOLVING DIFFERENT ASPECTS OF U.S. POLICY,
SHOULD BE LOOKED AT AS A PACKAGE, AND THIS CAN BEST BE
DONE BY AN OFFICER WITH AN ECONOMIC/COMMERCIAL BACKGROUND
PLUS POLITICAL SENSITIVITY.
(4) THE ONLY OTHER CHANGE I WOULD AMKE WOULD BE TOCOMBINE
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THE AID NARCOTICS CONTROL DIVISION, WHICH WILL BE ONE OF
THE RESIDUAL AID PROGRAMS (AIFLD BEING THE OTHER), WITH
THE DEA UNIT. THESE TWO PROGRAMS OBVIOUSLY GO HAND-IN-
HAND AND I BELIEVE THAT BOTH COULD BENEFIT BY A CLOSER
WORKING RELATIONSHIP. I WOULD LOCATE THEM PHYSICALLY
TOGETHER, AND WHILE EACH WOULD PRESERVE ITS IDENTITY, I
WOULD MAKE THE SPECIAL AGENT IN CHARGE (A GS-14) THE
SUPERVISOR OF THE COMBINED SECTION. THE DCM, WHO IS
CURRENTLY THE NARCOTICS COORDINATOR, WOULD CONTINUE TO
PROVIDE OVERALL POLICY GUIDANCE, BUT I BELIEVE THAT
DAY-TO-DAY OPERATIONS CAN BE HANDLED IN THE MANNER
INDICATED.
(5) I WOULD EXPECT THAT THE RESULT OF THESE CHANGES
WOULD BE TO PROVIDE A CLEARER INDICATION TO THE PERSONNEL
INVOLVED OF WHAT IS EXPECTED OF THEM, TO ENHANCE FFFECTIVE-
NESS BY GROUPING SIMILAR FUNCTIONAL OPERATIONS TOGETHER,
TO DECENTRALIZE MANAGEMENT AUTHORITY, AND TO PROVIDE
MORE SATISFYING JOBS FOR THOSE OFFICERS INVOLVED.
(6) FINALLY, I WOULD NOTE THAT THE FOREGOING REORGANIZA-
TION PLAN ASSUMES THAT WE WILL KEEP OUR PRESENT STAFFING
LEVEL. IN A SEPARATE MESSAGE, I AM APPEALING THE DEPART-
MENT'S DECISION TO CUT TWO POSITIONS FROM THE PRESENT

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POLITICAL SECTION AT THE END OF THIS FISCAL YEAR. WHILE
I WOULD GO AHEAD WITH THE REORGANIZATION REGARDLESS OF
THE OUTCOME OF THAT APPEAL, I POINT OUT TO THE DEPARTMENT
THAT THE RELAIGNMENT I AM PROPOSING IS NOT GOING TO
RESOLVE THE SERIOUS PROBLEM POSED BY THE PROPOSED CUTS.
(7) ORGANIZATION AND STAFFING CHARTS WITH DETAILS OF OUR
PROPOSAL ARE BEING POUCHED TO ROBERT GERSHENSON,
ARA/MGT.
BLOOMFIELD

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